UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

In re Cronos Group Inc. Securities Litigation

In re Cronos Group · No. 20-cv-1310 (ENV) (JMW) · Decided January 26, 2026

SUMMARY

The court denies a putative class member's request for a briefing schedule to present objections to preliminary approval of a proposed settlement in the Cronos Group securities litigation. It holds that objections to the settlement are procedurally premature before preliminary approval and should instead be raised during the notice and final approval process under Federal Rule of Civil Procedure 23(e).

CASE DETAILS

COURT	United States District Court for the Eastern District of New York
WRITING FOR THE COURT	James M. Wicks
JURISDICTION	United States District Court for the Eastern District of New York
DECIDED	January 26, 2026
DOCKET	20-cv-1310 (ENV) (JMW)
DISPOSITION	other
PROCEDURAL POSTURE	A putative class member sought a briefing schedule to present objections to preliminary approval of a proposed class action settlement. The matter was referred by Judge Eric N. Vitaliano to Magistrate Judge James M. Wicks for a report and recommendation.
PRECEDENTIAL VALUE	Unknown

TOPICS

class actions · civil procedure · commercial litigation · securities fraud

PRACTICE AREAS

class action settlements · securities litigation · civil procedure · commercial litigation

QUESTIONS PRESENTED

1. Whether a putative class member may require a briefing schedule to present objections to a proposed class action settlement before the preliminary approval stage.

2. Whether objections concerning the scope of a proposed settlement release and notice should be considered at preliminary approval or reserved for the final settlement approval hearing.

HOLDINGS

1. Objections to a proposed class action settlement are procedurally improper before preliminary approval when the objector will have an opportunity to present those objections during the final approval process.
2. Preliminary approval does not require the court to conduct a plenary adjudication of objections or to establish procedures for absent class members to intervene before preliminary approval.

KEY QUOTATIONS

> *"Preliminary approval of a settlement agreement is "the first step in the settlement process" and requires only an "initial evaluation" of the fairness of the proposed settlement on the basis of written submissions and, in some cases, an informal presentation by the settling parties."* (Discussion)

> *"For the foregoing reasons, the Court denies Jeffcoat's request for a briefing schedule and finds that objections prior to preliminary approval to be procedurally improper."* (Conclusion)

FACTUAL BACKGROUND

The action alleges that Cronos Group and two senior executives made false or misleading statements and omissions that artificially inflated the price of Cronos securities between May 9, 2019, and March 30, 2020. The parties reached an agreement in principle after private mediation and moved for preliminary approval of a class settlement. Jeffcoat objected to the proposed settlement because it purported to release claims asserted in a substantially overlapping Ontario securities action and also sought to object to the proposed notice.

PROCEDURAL HISTORY

Plaintiffs filed a federal securities class action alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act and SEC Rule 10b-5. After mediation produced an agreement in principle, the parties moved for preliminary approval of a class settlement. Putative class member James Jeffcoat, who was also a representative plaintiff in a related Ontario securities action, sought permission to brief objections concerning the proposed release of claims arising from the Ontario action. The court denied a briefing schedule and ruled that objections before preliminary approval were procedurally improper because they could be raised at the final approval hearing.

DISPOSITION

other

CASES CITED

- In re GSE Bonds Antitrust Litig., 414 F. Supp. 3d 686, 691-92 (S.D.N.Y. 2019)
- Davis v. J.P. Morgan Chase & Co., 775 F. Supp. 2d 601, 604-06, 608 (W.D.N.Y. 2011)
- D'Amato v. Deutsche Bank, 236 F.3d 78, 85 (2d Cir. 2001)

- Clark v. Ecolab, Nos. 07 Civ. 8623, 04 Civ. 4488, 06 Civ. 5672, 2009 WL 6615729, at *3 (S.D.N.Y. Nov. 27, 2009)
- In re Penthouse Executive Club Compensation Litigation, No. 10 Civ. 1145 (KMW), 2013 WL 1828598, at *2-*3 (S.D.N.Y. Apr. 30, 2013)
- Yim v. Carey Limousine NY, Inc., No. 14-CV-5883 (WFK) (JO), 2016 WL 1389598, at *5 (E.D.N.Y. Apr. 7, 2016)
- Calibuso v. Bank of America Corp., No. 10-CV-1413 (PKC), 2013 WL 5532631, at *1-*3 (E.D.N.Y. Oct. 4, 2013)
- Sjunde AP-Fonden v. General Electric Co., No. 17-CV-8457 (JMF), 2025 WL 89271, at *1-*3 (S.D.N.Y. Jan. 14, 2025)
- Aliano v. CVS Pharmacy, Inc., No. 16-CV-2624 (FB) (SMG), 2018 WL 3625336, at *2 (E.D.N.Y. May 1, 2018)
- Glover v. Connecticut General Life Insurance Company, No. 3:16-cv-00827 (MPS), 2024 WL 4036721, at *1, *11-*13 (D. Conn. Sept. 4, 2024)
- In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, No. 05-MD-1720 (JG) (JO), 2012 WL 5989763, at *1 (E.D.N.Y. Oct. 24, 2012)
- Doe v. Cin-Lan, Inc., No. 08-cv-12718, 2011 WL 37970, at *2-*3 (E.D. Mich. Jan. 5, 2011)
- In re TD Ameritrade Account Holder Litigation, Nos. C 07-2852 SBA, C 07-4903 SBA, 2011 WL 4079226, at *7 (N.D. Cal. Sept. 13, 2011)
- In re Warfarin Sodium Antitrust Litigation, 212 F.R.D. 231, 263-64 (D. Del. 2002)
- Jeter v. Bullseye Energy, Inc., 2018 WL 2323792, at *1-*2 (N.D. Okla. Feb. 14, 2018)
- Tuttle v. Audiophile Music Direct, Inc., 2023 WL 2477908, at *4-*6 (W.D. Wash. Mar. 13, 2023)
- Trombley v. National City Bank, 759 F. Supp. 2d 20, 22 (D.D.C. 2011)
- Harpreet Badesha v. Cronos Group Inc. et al., No. CV-20-00641990-00CP (Ontario Sup. Ct. Justice)